

AIR

10267

Chief, POS

Chief, Berlin Operations Base

CALL/CAOORI/Operational

SIPPER/GRYER/CAWL T-1/CAWL T-2

Ref: 58214-6782

INFO: L, M, S, C, CDAIR

cc to PP/G

Routed: DAL

EE/FI

EE/FI.G/2

1. Action will be taken along lines recommended in reference cable.

2. Ref. para 2. We do not share your opinion that CMIET-2's "multiple AL connections" pose a problem. We have some reason for believing that his contacts with CIC have ceased, but cannot state this for a fact. Within the agency, both ACOORI and KUPIK have an equity in CMIET-2. This aspect, however, has been thoroughly and satisfactorily coordinated here and gives no further rise for concern.

3. A more serious aspect of the existing confusion is the fact that although thru KUPIK is sinking sizeable funds into CMIET-2's "east zone" enterprise in the editorial part of which CMIET-2 plays a pivotal part. We surmise that some of the money we contribute is going into CMIET-2's intelligence collection effort which we are told has been preempted by SIPPER. We further believe that CMIET-2 may have been using our assets developed with finances contributed to KUPIK, specifically a sizeable part of the distribution apparatus, as a recruitment and intelligence collection reservoir. Inasmuch as CMIET-2 is knowledgeable to most of KUPIK's transactions with CMIET-2, we are thus faced with what amounts to a SIPPER penetration of one of our most important operations in this field. While this does not necessarily affect the operational security of the project as a whole or detract from its accomplishments, we do not favour the idea of financing SIPPER's efforts by proxy as it were. Nor does it strike us as particularly sound practice to give an avowed ALPKZ agent untrammelled access to the assets of a KUPIK financed distribution net.

4. None of the issues raised in this memorandum are particularly pressing or serious. We would, however, like to arrive with you at certain joint conclusions which may prevent future mishaps. With this purpose in mind, we would recommend that you obtain from SIPPER a clear statement as to the nature of their relationship with CMIET-2 and regarding the objectives it is designed to attain, provided this can be done without mention of KUPIK's specific interests.

slp:bjt

Distribution:

2 - POS (Direct); 3 - C - (Direct);
3-COM: 1 - SMM:1 - CDAIR
1 - SOR

000

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD/EXEMPTION 382B
LAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

SECRET
SECURITY INFORMATION
SECURITY

10267
Page 2

5. In view of ZIFFER's claim upon CANLET-2's services and also because we strongly doubt whether Headquarters would ever be prepared to claim him for full operational use we have decided to desist from further exploitation of his contacts unless they are turned over to us with no strings attached. We shall also continue to accept delivery of CANLET's information reports. All this, however, does not still our misgivings about the ZIFFER/CANLET-2 relationship as regards TFO4S13, a problem, which calls for a great deal more reflection and which may have to be solved by clamping upon the TFO4S13 distribution net a system of tight and exclusive HUBARK control.

6. We would appreciate your keeping us posted on further developments, in this case, since preposition tells us that it should be considered for final closure. We are in particular interested in obtaining from you copies of all intelligence reports which can be clearly attributed to CANLET-2 as a source.

Date of origin: 11 December 1952

Approved by: